Application/Control Number: 09/482,680

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REASONS FOR ALLOWANCE

The following is an examiner's statement of reasons for allowance:

Applicant has claimed uniquely distinct features in the instant invention which are not found in the prior art, either singularly or in combination.

According to the invention, a processing device is configured to receive code signals, at least one of the code signals including the data is embedded in the data medium. An adjust gain device is operably connected to said processing device, and configured to adjust said code signals, including at least one of the audio data and the data to be embedded. A bit stuffing adder is operably connected to said processing device, and configured to transform audio data from a lower bit signal to a higher bit signal. A dither generator is operably connected to a dither adder and to a dither subtracter, a dither adder operably connected to said bit stuffing adder, to said adjust gain device and to said dither generator, a dither subtracter operably connected to said dither generator and said dither adder, said dither subtracter configured to receive a composite audio dither signal from said dither adder and to produce a final output signal comprising the audio data and the embedded data, the audio data being substantially audible to a user and the embedded data being substantially inaudible to the user.

In another embodiment, an original audio signal and data is generated or accessed to be embedded into said original audio signal. The original audio signal is transformed from a lower bit signal to a higher bit signal. At least one of said original audio signal and the embedded data is processed in order to produce a dynamically modified code signal, combining said original audio signal, said dynamically modified code signal, and a dither

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signa to produce a composite audio dither signal, removing a dither signal from said composite audio dither signal andoutputting a final output signal comprising substantially said original audio signal and the embedded data as at least: one of audio, video, audio data, video data and digital data.

These features are not found or suggested in the prior art.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thomas R. Peeso whose telephone number is 571 272-3809. The examiner can normally be reached on Mon.-Fri, 7:00 to 3:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Gilberto Barron, can be reached on 571 272-3799.

Thomas R. Peeso Primary Examiner Art Unit 2132

March 15, 2005